

Message from the Chief Executive



Members would by now be very aware of the pending changes to the travel agency regulations and the importance of getting accredited under the new AFTA Travel Accreditation Scheme (ATAS). In fact I am

really pleased to report that applications for accreditation for ATAS are rolling in fast and this is a good sign that AFTA members see the benefit that ATAS will bring as the changes to the way travel agents are regulated beyond 1 July 2014 take effect. ATAS has been a long time in the planning and early reports from members about the process to apply is very positive and in fact relatively easy. The AFTA/ATAS team has been very mindful of making the process as simple and seamless as possible. The other great thing about the new online application process is that once you have done it for the first time, it just gets easier from then on. In

addition to this online application process members should be very proud of the new website www.afta.com.au. Again the team has really thought about making this website interactive, informative, nice to look at and above all easy to navigate and use. With the pending launch of the consumer website www.atas.com.au I am sure that these qualities will shine through. The industry is changing and AFTA is changing with it. As a Federation that has been in operation for nearly 60 years it is easy to become complacent, but that is not what is expected in these modern days. Indeed for the industry to survive AFTA must thrive as it is with industry unity of purpose and voice that great things can change. Now with ATAS as the cornerstone of the AFTA organization it is clear that your Federation has a long-life ahead which will enable AFTA to continue to represent the interests of members on a range of subject matters. Often it is forgotten that there are many other challenges that the industry faces. These include the ongoing need for skills and labour force development,

career and workplace development, IATA and the many challenges faced within that framework and the ever increasing need to enhance the relationship with the cruise industry. Finally as this AFTA@mail goes out the AFTA office is awash with finalists attending their interviews in the NTIA 2014. NTIA has become the true national event for the travel industry and this year will be bigger than ever before. 34 categories to be presented and we expect their to be over 1200 at the gala event on the 19th July. Hopefully you will be able to attend. Added to the NTIA this year is the Travel Expo which will bring a range of interesting suppliers under the roof of the Royal Hall of Industries. While this is not directly an event being run by AFTA we have agreed to co-locate these events to support each other and I encourage all those that will be in Sydney for NTIA to consider attending the Travel Expo. Good luck to all those members who are finalist this year.



Polio - public health emergency of international concern

On Monday 5 May 2014 the WHO Director General (DG) declared the recent international spread of wild poliovirus a "public health emergency of international concern" and issued Temporary Recommendations under the International Health Regulations (IHR) 2005.

The Temporary Recommendations apply to travellers from the 10 countries deemed to have active transmission of poliovirus including: Pakistan, Cameroon, Syrian Arab Republic (Syria), Afghanistan, Equatorial Guinea, Ethiopia, Iraq, Israel, Somalia and Nigeria and will be reviewed in 3 months.

Under these recommendations:

- countries that are currently exporting wild poliovirus (**Pakistan, Cameroon and Syria**), must ensure that travellers, including all residents and long-term visitors (greater than 4 weeks) have documented proof of vaccination between 4 weeks and 12 months prior to departure from the country
- the other seven countries (**Afghanistan, Equatorial Guinea, Ethiopia, Iraq, Israel,**

Somalia and Nigeria) are required to encourage all residents and long term visitors to be vaccinated against polio before international travel.



These requirements will affect Australians who visit the countries outlined for a period greater than 4 weeks.

In response to these Temporary Recommendations the Department of Health has recommended that Australians travelling to any of these countries are up to date with routinely recommended **vaccinations against polio**, including a

booster, and have documented evidence of this prior to departure. Documented evidence should include a completed World Health Organization International Certificate of Vaccination or Prophylaxis which are available at some travel clinics.

Please advise any clients wishing to travel to the listed 10 countries that there are new vaccination recommendations for these destinations and that they should consult their doctor regarding their individual requirements.

The following links may be useful:

- The WHO statement - <http://www.who.int/mediacentre/news/statements/2014/polio-20140505/en/>
- Department of Health's poliomyelitis website - <http://www.health.gov.au/internet/main/publishing.nsf/Content/ohp-poliomyelitis.htm>
- The Department of Foreign Affairs and Trade's Smartraveller website - <http://smartraveller.gov.au/zw-cgi/view/Advice/>

A monthly reporting package is not just for big business.



Big businesses are adept at monthly reporting and analysing their financial reports as they have sufficient scale to be able to do so.

Plus, they have others looking over their shoulder expecting compliance and financial performance (ASIC, Auditors, Bank reporting, Bank lending covenants to meet and Shareholders expecting dividend returns). Small businesses tend to be preoccupied with getting the work at hand completed and focussed on maintaining cash flow without analysing their financial results.

It is critically important that small businesses:

- develop their own monthly financial reporting package (even in an abridged format)
- analyse their financial results and other key statistics/ratios in taking appropriate action to keep the business in check.

As a small business owner, ask yourself what information you need each month to be understand your business in a financial sense and make a start, with the assistance of a business mentor or advisor, at tailoring a monthly reporting package to suit your business. It may take several attempts until you achieve a format that works for you and your business. Don't be afraid to share some of the less sensitive financial information with your staff. Train them to understand your key drivers and what they can do to contribute to improving the business.

Your monthly reporting package might include:

Cash flow budgets

Prepare a rolling 12 month cash flow budget which is updated each month. Ensure the cash flow budget reflects the cyclical nature of your business, if relevant, and that the expenses are budgeted for in the periods that they are likely to be incurred rather than simply amortised over the year for ease.

Maximise the output from your accounting and other systems

Ensure your accounting software is set-up to capture the required financial information for ease of monthly reporting. For example, does it cater for categories of revenue and related expenses to easily facilitate a determination of gross margin contribution from each category of income?

Use the information outside of your accounting system to capture other relevant data e.g. average spend per customer (domestically and internationally), on packages, on flights, on accommodation etc. which could be graphed each month, year to date, month on month or on a rolling 12 month basis.

Employees

Put in place measures to monitor staff productivity, individually and collectively as a team? Do you know the gross sales margin per staff member and the resultant gross contribution after wages? Is there a rule of thumb you can adopt for your business that you can share with your staff? What is the wages to gross sales margin contribution ratio? How does it compare to the industry average?

Prepare a monthly commentary of your results while still fresh in your mind

Document in your monthly reporting package what has impacted your monthly performance, both positively and negatively, so you can reflect on comments in the future.

Don't be afraid to ask for outside help. Consider your mentor or advisor carefully, someone who can commit to meeting with you for an hour each month to objectively review your monthly reporting package with you and who can challenge your thoughts, comments and expectations. From there you can take the corrective actions that will continuously improve your business results.

There are DFK ANZ accountants and business advisors right across Australia who can take up the role of Financial Mentor for you. Call 1300 DFK ANZ to book your complimentary Strategic Business Review as an AFTA Member.



Peter Popov, Perth

Peter has been a Director of DFK Gooding Partners in Perth since joining the firm in 2001. Prior to that Peter worked at KPMG, the last 7 years as a Partner in their Private Business Division. Peter has consulted to and worked with a diverse range of private businesses in his career, with a focus on property related businesses.

popov@gpca.com.au

I.R. Intelligence

Do you have a question for our Industrial Relations Hotline? E-mail AFTA on afta@afta.com.au with the subject "I.R. Intelligence" and our expert will answer your question.

I own and operate a travel retail business. One of my employees has advised me that her mother is terminally ill, and that she needs to take time off work to care for her. Am I obliged to approve her request?

Josh-Brisbane



You have not said whether the employee is casual or permanent. Under the General Retail Industry Award 2010, casual employees are automatically entitled to two days' absence in order to care for a member of their immediate family (such as their mother) who is sick and requires care and support. Any further absence can be arranged by agreement with you. All such leave is unpaid.

If the employee is permanent, you need to consider the provisions of the National Employment Standards. Employees are entitled to a minimum of ten days paid personal/carer's leave per year, and must be paid at their usual base rate of pay for the ordinary hours they would have worked during the period of absence. As with casual employees, permanent employees are also entitled to two days' unpaid leave, but only where they do not have sufficient paid personal/carer's leave accrued.

All employees are required to give notice to the employer when they wish to take personal/carer's leave. They must give such notice as soon as practicable, and must advise of the period they expect to be on leave. You are entitled to request evidence to support the leave, such as a medical certificate. If the employee fails to provide notice or evidence (if required), they are not entitled to the requested personal/carer's leave.

Thank you for your enquiry. If you have any further questions, please contact the free AFTA IR Hotline on 1300 303 768 and have your membership number handy.

Know the facts: Travel Agent & Intermediary Failure Insurance (TAIFI)

TAIFI, the final insurance product in our commercial insolvency suite has been now been launched. Here are some Frequently Asked Questions to help you navigate the application process.

What is TAIFI and how does it benefit my business?

TAIFI is exclusively available to ATAS accredited companies and is designed to help protect your customer's funds in the event of your insolvency.

Benefits include:

- To provide financial protection to your customers – a "peace of mind" promise
- Competitive advantage – consumers will be looking for companies prepared to offer protection in order to ensure their holiday investment is safe
- Complements your ATAS accreditation by further promoting your strong Professional Business Practices

Is TAIFI mandatory for ATAS accreditation?

This insurance is not compulsory and is not a replacement of the previous national scheme. It is a tangible insurance product that provides you with the option to show your customers you will protect their funds.

How do I apply?

Applications are open now, to download an electronic copy of our proposal form.

Complete the application form and return together with the supporting documentation set out on Page 4 of the proposal. In addition you are required to obtain a "Bank Position Statement" from your bank and they can either send back to you, or direct to us, whichever is most convenient.

Applications can be returned via;

Email: travel@gowgates.com.au

Fax: 02 8267 9991

Post: GPO Box 4731, Sydney NSW 2001

Is there an application fee?

Yes – due to the high administrative process of evaluating applications and reviewing financial statements, there is a nominal application fee of AUD \$100.00 which is refundable if cover is bound.

How long will the application process take?

We will immediately acknowledge receipt of your application and request any further information required within seven days. You will receive a formal quotation within two weeks of receipt of all documentation required.

What is the cost of TAIFI?

There are no set rates for TAIFI, each company is rated individually based on its own individual financial strength assessment. Premiums are set on a per company per year basis and reviewed annually. Premiums are subject to local Stamp Duty and GST at the prevailing rate applicable.

Do I need to wait for my ATAS accreditation number before I can apply?

If you have not yet received your ATAS accreditation number you can still apply – simply put "TBA" on the application. Cover will not be offered to those who are not ATAS accredited on 1 July 2014.

When declaring 'Average' & 'Maximum' Holiday Cost?

It is important when declaring the 'Average Holiday Cost' & 'Maximum Holiday Cost' that the amount relates to the cost per individual passenger rather than total amount per booking.

Contact us:

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Gow-Gates Insurance Brokers Pty Ltd (ABN: 12 000 837 784; AFSL: 245432) advise that persons should not act on the material contained in this article as the items are of a general nature only. We therefore recommend that individual advice be sought before acting in these areas.

AFTA welcomes Dean Long, National Manager – Strategy & Policy



On 19 May 1958 the North American Air Defence Command (NORAD) was formed and 56 years later Dean is hoping to have similar success in his new role as AFTA's National Manager for Strategy and Policy.

Dean joins AFTA following working for the NSW Coalition Government since March 2011 and brings a wealth of knowledge of the travel and tourism industry.

With nearly ten years of experience from the government and private tourism sectors Dean is looking forward to working alongside the AFTA chief executive on range of domestic and international policy issues.

During his time at the NSW Government, Destination NSW was established as a statutory agency, merging the former Tourism NSW and Events NSW. This led to a more cohesive approach to the tourism, major events and business events sector in the State.

As a result of this change, NSW attracted a range of major events, delivering significant economic value. Such events included Opening round of the Major League Baseball, Manchester United and securing the return Australian Premiere run of Lion King and the Australian Premiere of Matilda the Musical.

As an avid sports fan, Dean is a keen follower of the Australian Cricket Team, Sydney Swans and the American gridiron team Greenbay Packers and hopes to attend a Superbowl. Following the successful ATAS workshop program around Australia and the Swans 110 point victory over Geelong, Dean is ready for a great weekend in NSW's Hunter Valley.



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Do it yourself super – how to set up a self managed Super fund

Super is one of the biggest investments, if not the biggest investment, you will ever have. So for many people, keeping their retirement nest egg locked away and managed by an employee recommended fund (like an industry fund) or other professionally managed funds is what they're most comfortable with.

However, there are other options and now more than ever, people are looking into self managed super funds as an alternative to managed funds for more control and choice. Of course, with added control comes added responsibility and workload. Self-managed super funds aren't suitable for everyone; they require research, financial know-how and even some legal expertise.

With all the added work, rules and regulations - there are some advantages in having your own super fund. The biggest for many is that it gives you greater control over your investments – and a wider choice of assets in which to invest, which can make it more appealing. So where do you start? According to the Australian Taxation Office, there are four key steps:

1. Establish the trust

The first thing you need to do is prepare a trust deed. To do this you'll need to talk to your accountant, solicitor or a legal service company. Keep in mind that while your accountant or solicitor may be able to help you establish the SMSF, they cannot advise you on whether it is the right financial decision for you unless they hold an Australian financial services licence.

All SMSFs must have trustees and all members of the fund must be appointed trustees, unless the trustee is a company (which can be owned and controlled by one or more of the members). Anyone aged over 18 can be a trustee as long as they have not been

convicted for an offence involving dishonesty or are undischarged bankrupts.

As a trustee, you are legally responsible for the actions of the fund. Your responsibilities include, filing an annual tax return, lodging contributions statements, and appointing an approved auditor to complete the annual audit.

2. Elect to be regulated by the Superannuation Industry (Supervision) Act (SISA)

This step is essential to ensure you receive concessional tax treatment. As trustees, you have 60 days to lodge your election with the Tax Office. You do this by completing an application form to register for the new tax system superannuation entity. Apply online at the Australian Business Register www.abr.gov.au or by contacting the Small Business Information Line on 13 28 66. On submitting this form, you will be issued with a TFN and an ABN.

3. Preparing an investment strategy.

This involves you to prepare a strategy that takes into account risk, return, diversification, liquidity, cash flow, asset allocation and the ability to discharge existing and prospective liabilities. Seeking professional advice from a licensed financial planner may assist you here to provide you with options, guidance, and help steer you in the right direction.

4. Open a bank account

You'll need to open a bank account in the name of the fund – a requirement to keep your super fund assets separate from your personal assets. There are many available; Qantas Credit Union have several options available including a DIY Super Account which is a high interest online account so you can view your investment at any time and securely park it and watch it grow. With \$0 account

keeping fees and no administration fee, it could be a good low cost option.

Smart tips and considerations

- > To make setting up a SMSF more economical you'll need at least \$200,000 to make set-up and yearly running costs worthwhile. You'll need to factor in administrative costs, establishment costs and any ongoing costs.
- > Allow for additional ongoing expenses such as professional accounting, tax, audit and legal advice
- > Allow for plenty of time to manage the fund to keep on top of the investment market and know your tax implications.
- > You'll need to keep comprehensive records and arrange an annual audit by a qualified auditor
- > Take out adequate cover for life insurance, including income protection and total and permanent disability cover
- > Bear in mind that you can pay an adviser to do the administration for your self-managed super fund. However, you cannot pass on the responsibility of being a trustee.

More information

The ATO and ASIC have also developed a guide has links to resources for people who are thinking about self-managed super. Visit at www.ato.gov.au and www.asic.gov.au.

If you've set-up your trust and are looking for a SMSF investment account or insurance options please contact us on 1300 747 747 or visit www.qantas.com.au

You should read and consider the Product Disclosure Statement (PDS) before deciding whether to open a DIY Super Saver account, available on our website www.qantascreditunion.com.au. The information in this article is of a general nature and is not intended to be a substitute for personal advice. It has been produced without taking into consideration your personal financial circumstances, objectives or needs. You should consider the appropriateness of the information to your financial situation and seek personal advice before acting. Qantas Staff Credit Union trading as Qantas Credit Union ABN 53 087 650 557 AFSL / ACL 238305

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